



Office of the
Healthcare
Advocate
STATE OF CONNECTICUT

**Testimony of Victoria Veltri
State Healthcare Advocate
Before the Human Services Committee
In re HB 5479
March 13, 2012**

Good afternoon, Representative Tercyak, Senator Musto, Senator Markley, Representative Gibbons, and members of the Human Services Committee. For the record, I am Vicki Veltri, State Healthcare Advocate with the Office Healthcare Advocate ("OHA"). OHA is an independent state agency with a three-fold mission: assuring managed care consumers have access to medically necessary healthcare; educating consumers about their rights and responsibilities under health insurance plans; and, informing you of problems consumers are facing in accessing care and proposing solutions to those problems.

House Bill 5479, an Act Concerning Insurer Accountability to Consumers, while admirable in conception, represents an unnecessary measure. While the existing law, Conn.Gen.Stat. § 38a-481 was proposed to minimize administrative complexity in the rate review process through the inclusion of a loss ratio guarantee, in practice has required that rebates be calculated and issued to consumers. The existing law accommodates this possibility, requiring that any carrier whose estimated loss ratio is proven inaccurate refund excess premiums to its members. The assessment, calculation

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and administration of this remedy not only creates a much higher administrative burden for the carrier, it withholds the overpayment from the consumer for up to several months after the defect is calculated.

We have long opposed the underlying section of the statutes. Only one carrier has utilized this provision, which allows the carrier to escape traditional rate review processes. We do not endorse the expansion of the provision. Instead we propose that the provision be repealed. For two years in a row, OHA proposed legislation that would tighten up the rate review process for individual policies, and both times we proposed deletion of this statutory provision. The Insurance Department supported the deletion of the provision both times. This provision of the statutes is outdated and certainly not one that OHA would endorse moving forward. Therefore, we oppose its enhancement under HB 5479.

Thank you for providing me the opportunity to deliver OHA's testimony today. If you have any questions concerning my testimony, please feel free to contact me at victoria.veltri@ct.gov.

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